credit against 1,47,740 sick industrial units stood at Rs. 4874.49 crores as at the end of Decmeber 1986 (latest available).

Guidelines have been issued from time to time by RBI impressing on banks the need for regular monitoring of borrowal accounts and to draw rehabilitation packages in respect of such sick industrial units as are found potentially viable. Phased repayment of Bank's dues are contemplated in the packages which may contain reliefs|concessions like reduced rates of interest, funding of irregularities, waiving of penal interest, etc. As regards non-viable units, banks resort to suitable action for the recovery of their dues which include, *inter-alia*, sale of goods hypothecated to the bank, enforcement of security available against the borrower|or guarantor etc.

Financial discipline

794. SHRI SUNIL BASU RAY:

SHRI RAMNARAYAN GOSWAMI:

Will the Minister of FINANCE be pleased to state:

(a) whether any effort is being made to effect financial discipline by the Union Government; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) While formulating the Budget Estimates 1988-89 various aspects of financial discipline were taken into consideration and are reflected in the Budget estimates presented to Parliament on 29-2-1988. Further a number of measures to bring about economy in expenditure like restrictions on expenses on travel, entertainment, inessential seminars and conferences, publications, purchase of furniture|furnishings, fuel consumption etc. have been indicated to various Ministries|Departments. They have also been advised to priorities various programmes and schemes undertaken by them so that inessential and low priority items of expenditure can be eliminated

Spurt in sick units

795. SHRI SUNIL BASU RAY:

SHRI RAMNARAYAN GOSWAMI:

Will the Minister of FINANCE be pleased to state:

(a) what are the reasons for sudden spurt in the number of sick units in the country after 1980; and

(b) what steps were taken during this period to check such problem in industrial units?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) (a) The (Reserve Bank of India (RBI) has reported that number of sick industrial units increased from 24,550 as at the end of Dec. 1980 to 1,47,740 as at the end of December 1986.

The Reserve Bank of India has also reported that several factors contribute to industrial sickness which *inter-alia* include improper project planning and implementation, obsolete machinery, delay in modernisation of units, managerial incompetence, mis-management, power shortages, market constraints labour problems, etc.

(b) Guidelines have been issued by RBI to banks from time to time impressing upon them, *inter alia*, the need for identification of sickness at incipient stage itself, watching for warning signals and symptoms of sickness, timely reporting by branches to controlling authorities and initiating timely corrective action. Banks have also been advised to evolve rehabilitation packages for potentially viable sick industrial units. Where term lending institutions are involved, rehabilitation packages are prepared by them in consultation with banks and other agencies concerned. Under the Sick Industrial Companies (Special Provisions) Act, 1985, Board for Industrial and Financial Reconstruction may also suggest, *inter alia*,

preventive, ameliorative and remedial measures which are required to be taken in respect of Sick Industrial Companies coming within its jurisdiction.

Distribution of foreign aid for drought relief

796. SHRI SUKOMAL SEN:
SMT. KANAK MUKHERJEE:
SHRI MOSTAFA BIN QUASEM:
DR. R. K. PODDAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are receiving substantial amount of financial aid from different countries as drought relief; and

(b) if so, how these aids are being distributed indicating the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) India has received loans and assistance from some countries and World Bank. Such loans and assistance are used for meeting foreign exchange requirements for essential imports and are not being otherwise distributed.

Reinforcement of border posts along Rajasthan border

797. SHRI SUNIL BASU RAY:
SHRI NARAYAN KAR:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have ordered for any reinforcement of border posts along Rajasthan Border from where Pakistani intruders are regularly coming into the country for various purposes; and

(b) if so, what are the details therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) Reinforcements of Border Out-Posts along Indo-Pak border in Rajasthan is being made to check infiltrators indulging in smuggling of arms and ammunitions etc.

(b) Reinforcement has been done by deployment of additional coys. of BSF and Border Wing Home Guards and other necessary infrastructure in Rajasthan border. From security point of view it will not be in the public interest to furnish the quantum of force and infrastructure added.

Lead Bank Scheme

798. SHRI SUKOMAL SEN: Will the Minister of FINANCE be pleased to state:

(a) what are the details of the concept of Lead Bank Scheme; and

(b) how far the scheme has been successful in achieving the objectives?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Lead Bank Scheme (LBS) which was introduced in 1969 envisages one bank, designated as Lead Bank for the district, to act as the leader in identifying potential growth centres and formulating suitable schemes in the priority sector. Under the LBS, the Lead Banks convene the District Consultative Committee meetings; take steps to prepare the Annual Action Plans and act as leader for coordinating the efforts of all credit institutions for meeting the credit needs of priority sector. The Lead Banks have generally played the role of coordinators in the process of deployment of resources by institutional agencies in a planned manner in financing viable schemes. The